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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA 6-1960
APRIL 1960

Volume 4

Number 9

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY-APRIL 1960

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$5.18, Excess Milk \$3.05. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%.

During April 81.0% of the total producer milk was priced in Class I at \$5.40 per cwt. with a butterfat differential of 7.5 cents and 19.0% was priced in Class II at \$3.09 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 81.5% and 69.5% respectively. Base milk was 88.6% and excess milk was 11.4% of the total producer deliveries. All excess milk and 8.6% base milk was priced in Class II and 91.4% of base milk was priced in Class I.

The daily average deliveries of producer milk during April increased 14.1% compared with March and decreased 0.1% compared with April 1959. The daily average use of Class I milk decreased 0.3% compared with March and increased 6.7% compared with April 1959. The daily average base delivered was 94.3% of the established base.

MILK SAMPLES TESTED - Composite 160, Fresh 5,562, Finished Products 220,

NUMBER OF FARM PAYROLL ACCOUNTS

	1959										1960				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
Can	390	362	343	311	264	246	218	203	198	185	178	167	164		
Tank	353	380	395	418	478	486	503	513	515	528	526	534	537		
TOTAL	743	742	738	729	742	732	721	716	713	713	704	701	701		
New	2	1	0	0	20	5	4	2	3	5	1	0	3		
Quit	8	2	4	9	7	15	15	7	6	5	10	3	3		

APRIL 1960 TOTAL CLASS I UNIT SALES BY 15 POOL and 4 NON-POOL PLANTS

	GALS.	$\frac{1}{2}$ GALS.	QUARTS	PINTS	$\frac{1}{2}$ PINTS	PRODUCT LBS. 1/
Standard Milk	*	*	41,222	-	-	175,328
Homo Milk	178,838	1,096,144	536,167	341,368	2,121,453	8,911,437
Skim Milk	5,509	*	107,300	-	*	301,431
Buttermilk	11,551	154,308	212,703	16,988	17,498	1,247,840
Flavored Milk	*	*	33,063	102,642	109,809	239,550
Cream ($\frac{1}{2}$ & $\frac{1}{2}$)	-	-	4,533	*	*	22,831
Light Cream (X)	-	-	6,243	-	12,270	19,598
Heavy Cream (XX)	*	-	2,261	-	33,268	22,499
Sour Cream	*	-	-	1,152	9,398	6,812

* Units omitted - Distributed by less than three handlers.

1/ Distribution out of the three-county marketing area was 29.5% of the above total packaged product pounds.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Apr. '60</u>	<u>Mar. '60</u>	<u>Apr. '59</u>
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS(DAILY)			
Producer Milk - Cans	78,831	68,949	197,003
Producer Milk - Bulk Tank	364,798	319,714	246,887
Total Producer Milk Pounds	443,629	388,663	443,890
% April '60 compared with:	100.0	114.1	99.9
Other Source Milk Pounds	9,555	7,625	9,668
Other Order Milk Pounds	4,629	15,799	26,599
TOTAL RECEIPTS MILK POUNDS	457,813	412,087	480,157
% April '60 compared with:	100.0	111.1	95.3
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	302,892	298,210	283,117
Buttermilk	41,595	39,851	37,971
Chocolate Milk	7,985	7,064	7,009
Fluid Skim	10,048	11,764	7,943
Fluid Creams	2,391	2,418	2,191
Bulk to Non-Handlers	469	8,623	1,123
Class I Shrinkage	1,622	1,434	2,048
Inventory Reclass.	(2,849)	(3,253)	(235)
Overstated Sales	-	(890)	-
Total Class I Milk	364,153	365,221	341,167
% April '60 compared with:	100.0	99.7	106.7
Class II Milk Pounds (Used to Produce)			
Butter	3,102	5,408	2,194
Cottage Cheese	16,287	14,538	14,151
Powdered and Condensed Milk	39,457	1,668	82,137
Ice Cream	24,909	12,072	27,786
Inventory Variation	2	2,641	2,283
Other	9,903	10,539	10,439
Total Class II Milk	93,660	46,866	138,990
% April '60 compared with:	100.0	199.8	67.4
TOTAL UTILIZATION CL. I AND CL. II MILK LBS.	457,813	412,087	480,157
% Producer Milk of Gross Class I	121.8	106.4	130.1
% Delivered Base of Gross Class I	108.0	101.1	110.5
% Delivered Base Priced in Class I	91.4	97.7	82.3
% Producer Milk Priced in Class I	81.0	92.8	69.8

May 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>May '60</u>	<u>Apr. '60</u>	<u>May '59</u>
Basic Formula (See page 4)	\$3.39	\$3.47	\$3.34
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.20	0.18	(0.12)
Class I Price, 4.0% Butterfat	\$5.34	\$5.40	\$4.97

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: March and April
Supply: Lbs. Producer Milk (Mar. 12,048,536 and Apr. 13,308,872) 25,357,408
Demand: Lbs. Net Class I Milk (Mar. 11,297,462 and Apr. 10,882,101) 22,179,563
Utilization Percentage: Producer milk divided by Class I 114
Standard Utilization Percentage: Range 124 - 128 124
Net Deviation Percentage: Utilization minus Standard Utilization minus 10
Supply-Demand Adjustment: 2 cents x 10 percentage points plus \$0.20

Since the supply in relation to the demand is less than the desired standard, the price is increased 20 cents per hundredweight (2 cents x 10 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR APRIL 1960

Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		10,924,601	3.565		
Less Other Source		147,684	1.697		
Producer Milk Class I	81.0	10,776,917	3.590869	\$5.093152	\$548,884.76
Gross Class II		2,809,775	6.150		
Less Other Source		277,820	1.095		
Producer Milk Class II	19.0	2,531,955	6.704661	4.902123	124,119.55
TOTAL PROD. (Cl. I + Cl. II)	100.0	13,308,872	4.183255		673,004.31
Add Fractional Adjustment					.01
Add Compensatory Payment Value					431.95
Add Overage Value					342.87
Add Inventory Reclassification Value					1,700.29
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					4,720.43
TOTAL VALUE AT TEST		13,308,872	4.183255		680,199.86
Less Test Over 4% @ 7.2¢ per point		13,308,872	.183255	0.131944	17,560.26
TOTAL PRODUCER MILK VALUE AT 4% TEST		13,308,872	4.0		662,639.60
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,514,133	\$3.09	\$46,786.71	
Total Excess Producer Milk		1,514,133	3.09	46,786.71	
Less Prod.-Settlement Fund Res. @ 4¢		1,514,133	.04		605.65
UNIFORM EXCESS PRICE f.o.b. PLANT-4%		1,514,133	3.05		46,181.06
Value of Base Milk (Total less Excess)		11,794,739	5.221420		615,852.89
Less Producer-Settlement Fund Reserve		11,794,739	.041420		4,885.38
UNIFORM BASE PRICE f.o.b. PLANT-4%		11,794,739	\$5.18		\$610,967.51

APRIL 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.46	\$2.33	4.0%	\$5.18	\$3.05	5.0%	\$5.90	\$3.77
3.05	4.496	2.366	4.05	5.216	3.086	5.05	5.936	3.806
3.1	4.532	2.402	4.1	5.252	3.122	5.1	5.972	3.842
3.15	4.568	2.438	4.15	5.288	3.158	5.15	6.008	3.878
3.2	4.604	2.474	4.2	5.324	3.194	5.2	6.044	3.914
3.25	4.64	2.51	4.25	5.36	3.23	5.25	6.08	3.95
3.3	4.676	2.546	4.3	5.396	3.266	5.3	6.116	3.986
3.35	4.712	2.582	4.35	5.432	3.302	5.35	6.152	4.022
3.4	4.748	2.618	4.4	5.468	3.338	5.4	6.188	4.058
3.45	4.784	2.654	4.45	5.504	3.374	5.45	6.224	4.094
3.5	4.82	2.69	4.5	5.54	3.41	5.5	6.26	4.13
3.55	4.856	2.726	4.55	5.576	3.446	5.55	6.296	4.166
3.6	4.892	2.762	4.6	5.612	3.482	5.6	6.332	4.202
3.65	4.928	2.798	4.65	5.648	3.518	5.65	6.368	4.238
3.7	4.964	2.834	4.7	5.684	3.554	5.7	6.404	4.274
3.75	5.00	2.87	4.75	5.72	3.59	5.75	6.44	4.31
3.8	5.036	2.906	4.8	5.756	3.626	5.8	6.476	4.346
3.85	5.072	2.942	4.85	5.792	3.662	5.85	6.512	4.382
3.9	5.108	2.978	4.9	5.828	3.698	5.9	6.548	4.418
3.95	5.144	3.014	4.95	5.864	3.734	5.95	6.584	4.454

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Apr. '59	\$4.49 ^{2/}	\$4.74	\$3.04	7.2¢	\$5.12	7.5¢	\$3.08	6.7¢
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sep.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 ^{2/}	5.18	3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 ^{2/}	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	-	-	-	-	5.34	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92 ⁰ Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter 4 Tenn		
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder Milk Mfg		
Apr. '59	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sep.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of	Farm -- Pounds			Milk	
	Cl. I	Cl. I.	Repts.	Repts.	Repts.	Hdlr.Prod.	Prod.	Base	Exc.	Test %	
Apr. '59	341,167	310,039	443,890	376,828	480,157	19 743	597	507	90	4.15	
May	329,182	299,433	433,519	370,297	469,576	19 742	584	499	85	4.12	
June	320,140	290,413	404,243	354,261	440,588	19 738	548	480	68	4.11	
July	331,541	301,520	390,727	343,678	427,610	19 729	536	471	65	4.10	
Aug.	342,026	311,661	411,167	-	447,707	19 742	554	-	-	4.07	
Sep.	393,150	362,439	438,703	-	475,704	19 732	599	-	-	4.13	
Oct.	386,834	374,206	415,133	-	436,128	19 721	576	-	-	4.30	
Nov.	361,367	350,101	411,180	-	430,087	19 716	574	-	-	4.46	
Dec.	353,291	348,611	409,092	-	424,180	19 713	574	-	-	4.45	
Jan. '60	356,702	352,740	418,024	-	428,067	19 713	586	-	-	4.41	
Feb.	366,497	359,974	411,811	-	428,184	19 704	585	-	-	4.39	
Mar.	365,221	360,667	388,663	369,057	412,087	19 701	554	526	28	4.43	
Apr.	364,153	359,231	443,629	393,158	457,813	19 701	633	561	72	4.18	

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base